

THE CONSUMER COUNCIL

3 Cornwall Terrace,
London, N.W.1

Annual Report

1963-64



LONDON: HER MAJESTY'S STATIONERY OFFICE
1964

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Foreword

Here is the first Annual Report of the new Consumer Council set up by the President of the Board of Trade in March, 1963. The Council was brought into being to help solve the problems of the British buying public, to help them to learn to discriminate, to know their rights, and to know how to go about securing them. In the world of today these things are not so easy. It is no longer just a question of food, drink and shelter but of meeting the complex requirements of modern civilised life.

Pre-packed food, numerous competing lines of household goods, synthetic fibres and their combinations with wool and cotton in materials and clothes, the complicated mechanism of cars, electrical goods, television sets and some toys, highly skilled advertising and marketing, tempting credit facilities, self-service stores—in this labyrinth of goods and ways and means of selling, it is small wonder that the consumer needs a guide and advisor.

In launching this new enterprise we had to decide what are the basic principles of consumer satisfaction on which it should be founded. We have acted on the assumption that people have a right to:

- full information about the goods they buy
- a choice of goods and a choice of prices with
- a choice of shops to buy in
- help in discriminating
- safety in goods bought
- redress for justified complaints
- protection from unfair pressures, for instance
- in marketing and advertising

The way in which we have sought to fulfil these principles is described in the following pages.

Then we had the problem of making ourselves known, of setting up our sources of information. In the past few months I and other members of the Council and staff have been speaking in a great many centres to such audiences as Chambers of Commerce, traders' and manufacturers' associations, professional bodies, voluntary organisations, including in particular Citizens' Advice Bureaux, and consumer groups, women's meetings and ordinary public meetings. We have visited schools and technical colleges. I have myself been to Newcastle, Manchester, Birmingham, Cardiff and York. To all those who have organised the opportunities for us to explain the work of the Council we are most grateful.

In addition, we have had most helpful co-operation from existing bodies concerned with consumer protection—The British Standards Institution and its Women's Advisory Committee, The Retail Trading-Standards Association, Consumers' Association, The National Federation of Consumer Groups, The Citizens' Advice Bureaux, The John Hilton Bureau, to name a few. I must also express our thanks to the Press—not only the national newspapers but the provincial and weekly papers, specialised publications and trade journals—and to the B.B.C. and Independent Television companies, for their great assistance in giving publicity to the Council and its work and to the views we have expressed on different aspects of consumer affairs.

Towards the aim of making us a nation of discriminating buyers we are working on a long-term education programme. This has two aspects: first, the spreading of information as widely as possible about goods and services, and secondly, the introduction of a consumer emphasis into those branches of education which touch consumer affairs, so that the growing generation will approach their household problems better equipped.

We have made useful contacts with associations of manufacturers and traders of all kinds, and we look forward to extending these contacts so as to improve understanding of each other's points of view.

We are in touch with organisations throughout the world who are also engaged in consumer protection.

In the past year we have begun to take the measure of the tasks entrusted to us and to make the first few steps towards securing better protection for the consumer. We have not yet by any means found solutions for many of the complicated questions which already begin to crowd our horizon: the quality of manufactured goods; how complaints can best be dealt with; safety; how to meet the needs of a growing population and at the same time satisfy individual preferences, in housing for example. I can only promise that the Council will continue to strive to carry out its task as guide to and champion of the consumer.

Elliot of Harwood.

Baroness Elliot of Harwood

Formation of the Council

On March 26th, 1963, the President of the Board of Trade (Mr. F. Erroll) announced to the House of Commons the formation of The Consumer Council, with Baroness Elliot of Harwood, D.B.E., as its first part-time Chairman. The Council's terms of reference closely follow the recommendations of the Final Report of the Molony Committee on Consumer Protection (reference CMND 1781, 1962) which proposed that a powerful national body should be set up to promote the interests of consumers. The Council is financed by a grant-in-aid from the Board of Trade. The Accounts for 1963/64, for which the grant was £60,000, are in Appendix A. For 1964/65 the grant has been raised to £125,000. Finance and the appointment of members are the Council's only constitutional links with the Government. In its actions and expressions of opinion it is, within its terms of reference, completely free of Government supervision.

Terms of Reference

The terms of reference given to The Consumer Council by the President of the Board of Trade are as follows:

(1) Subject to the exceptions hereinafter mentioned, the functions of the Council are:

- (a) to inform itself about the consumer's problems and about matters affecting his interests;
- (b) to consider, after consultation where necessary with other affected interests, the action to be taken to deal with such problems, or to further or safeguard such interests, and to promote that action;
- (c) to provide advice and guidance for the consumer, in particular through the Citizens' Advice Bureaux and other appropriate organisations and by its own publications;
- (d) to publish an annual report.

(2) The following are excluded from the Council's functions, namely:

- (a) the preparation or publication of comparative test reports;
- (b) the taking up of complaints on behalf of individual consumers; and
- (c) law enforcement action.

(3) In exercising its functions, the Council shall have regard to the views expressed thereon in the Report of the Committee on Consumer Protection.

Membership of The Council

Members of the Council are appointed by the President of the Board of Trade. Besides the Chairman and a full-time Director, there are ten members. (See Appendix B). The membership is drawn from a wide variety of vocations and includes several housewives as well as suppliers, a trade unionist and people experienced in community work. Members sit in their personal capacities not as representatives of organisations, and they come from different areas of the country.

Eleven of the twelve members were appointed in time for the first meeting of the Council on June 27th, 1963. Mrs. C. Calvert, a resident of Northern Ireland, was appointed on July 18th, in time for the second meeting.

On September 30th, 1963, Mr. R. Craig Wood resigned from the Council and was replaced on October 21st by Mr. A. F. Earle.

The part-time Chairman of the Council receives an honorarium of £1,000 per annum, and the members can draw £500 each.

By decision of the first meeting of the Council on June 27th, 1963, the Council invited the National Citizens' Advice Bureau Committee to be represented at meetings and to join in its deliberations on the issues which the work of the C.A.B.s. shows are of general concern to consumers. This invitation was accepted and meetings of the Council (these are generally held monthly) are normally attended by a representative of the National Citizens' Advice Bureau Committee.

The Council's Staff

The Council is served by a small permanent staff of thirty people. These were, in the main, only recruited by the autumn of 1963. In consequence, although the first meeting of the Council was held in June, its work did not really get under way until later in the year.

The permanent staff is headed by a Director, who is also a member of the Council, and is divided into a Research and Liaison group including economists and a legal adviser, and an information group, which is also responsible for the Council's educational programme. There is a secretary to the Council and a small administrative staff.

Committees

The Council has set up three committees.

- (a) *Legislation Committee* (Chairman: Mr. Aubrey Diamond).
- (b) *Publicity and Research Committee* (Chairman: Mr. Leonard Cohen).
- (c) *Finance Committee* (Chairman: Lord Peddle).

How the Council works

In the light of our experience over the first months of full operation it could be seen that the Council's work was falling broadly into five distinct areas. An intelligence network is required to carry out the Council's first task "to inform itself about the consumer's problems" Information from outside sources has frequently to be checked and needs supplementing by the Council's own research. After the Council has considered a subject and decided upon its policy and how this should be implemented, the next course is usually that of seeking to persuade people or organisations or government departments to act or to change their existing practice in accordance with its views; this function might be described as the *direct* approach. Fourthly, there is the function of *information and publicity*; information being the straight-forward process of issuing periodical reports on the Council's activities or on consumer matters, while publicity through public media supplements direct persuasion as a method of exercising pressure. Fifthly, the Council has a long-term duty in the education of the consuming public both through enlightenment as to the conditions of the market in which they do their shopping and as to their rights as purchasers, and through fundamental education, particularly of the young, in those branches of knowledge which will improve their power of discrimination as consumers.

Intelligence

While its terms of reference, and indeed its very operation, impose on the Council the need to inform itself about the consumer's problems, it is

debarred from "taking up complaints on behalf of individual consumers". Thus, the first important task with which the Council was confronted was that of setting up its sources of information.

The problem had been foreseen by the Molony Committee, which designated the Citizens' Advice Bureaux as the most convenient existing field organisation to provide the Council with a continuous flow of information. Their potential value in this complementary rôle was also emphasised by the President of the Board of Trade when formally inviting them to provide a countrywide service of information and advice for the individual consumer by increasing the number of Bureaux available and strengthening the service generally. For 1963/64 the Government made the National Citizens' Advice Bureaux Committee (through the National Council of Social Service) a grant of £27,000 for this purpose.

Local consumer groups, which have been set up all over the country during the past two years and by April 1st, 1964, numbered sixty-four, with a co-ordinating National Federation, also provide a valuable source of "grass roots" information on consumer matters, especially through their regularly published bulletins. These groups of enthusiasts perform a specially useful function by surveying goods and services supplied locally.

The Council has also established close working relations with Consumers' Association and the Research Institute for Consumer Affairs.

The Council services a Joint Committee on Consumer Complaints of which the other members are the British Standards Institution, Consumers' Association, The Council of Industrial Design, The National Federation of Consumer Groups, The National Citizens' Advice Bureaux Committee, The Retail Trading Standards Association, and The John Hilton Bureau. This Committee facilitates regular exchange of information on methods of dealing with and solving consumer complaints. The Council has also been working with the Patients' Association.

These sources are supplemented by the readers' services of national newspapers and by the editorial columns and correspondence of the national, local, periodical and trade press. The Council also receives many letters, some from sources such as Members of Parliament, social workers, teachers, women's organisations, members of trade associations and the like, and others from members of the public as shoppers and consumers. Although these letters are, strictly speaking, not our concern and we pass them on to the C.A.B. or other organisations which might be able to help, we do not discourage people from writing to us since their grounds of complaint all contribute to keeping the Council comprehensively informed.

Research

Subjects are referred to the research staff either after preliminary consideration by the Council or prior to presentation to the Council, as a result of reports from our intelligence sources. The research which can be carried out by the small staff is generally speaking of a secondary character consisting largely of the collation of factual and statistical material available from published and other sources. Where appropriate, however, special surveys are instituted. Two enterprises of this kind were undertaken in 1963-64. In association with Consumers' Association the Council

commissioned the Research Institute for Consumer Affairs to conduct a sample survey to find out consumers' views on shop opening hours. The findings assisted the Council in responding to a request from the Home Secretary for its views on the revision of statutory controls. In December, the Council engaged a research consultant to carry out a study into the economic and sociological aspects of stamp trading.

The Council intends to encourage this type of objective research into consumer needs, which are often not fully reflected in the sharply focussed market research of commercial firms. The Council has welcomed the opportunity of sending to the Hayworth Committee on Social Studies, set up by the Government in June, 1963, a note of its views as to how research into the needs and interests of consumers should be advanced.

Direct Approach

The Council's effectiveness on behalf of consumers depends largely on its ability to get manufacturers, advertisers, retailers, or government departments to take action along the lines which it suggests. The Council is assisted in its efforts by its national status and by the fact that two of its members are able to take part in debates in the House of Lords. The Council is, of course, along with other interested bodies, consulted by Government Departments when they are considering action, whether legislative or otherwise, concerned with consumers as a whole.

Close contact has been established with a number of bodies which can help to promote the Council's objectives. There is a joint working party with the British Standards Institution which keeps under review the whole range of standards affecting the consumer. The Council is represented on the National Council for Quality and Reliability, which aims to get manufacturers to raise their standards of both manufacture and of inspection, on the British Electrical Approvals Board, on the National Inspection Council for Electrical Installation Contracting, and on the Standing Inter-Departmental Committee on Accidents in the Home. Friendly contacts have been established with the Retail Trading Standards Association, a body dedicated to the maintenance of high standards of service in the retail trade. The Council maintains contact with the Advertising Standards Authority about advertising which it thinks may mislead the public. The Council's Director sits on the Advertising Advisory Committee of the Independent Television Authority.

It is the Council's policy to establish good relations with trade associations, such as the British Electrical and Allied Manufacturers' Association, the National Dairy Council, or the various organisations concerned with laundering, dyeing, and dry cleaning, so that solutions to problems which concern a particular industry (as, for instance, in the case of the sale of homogenised milk) can be discussed and often disposed of through the operation of an industry's self-discipline. Or individual suppliers may be asked to take a particular course of action, the request sometimes being fortified by publicity.

The Council may sometimes find it useful to hold the ring rather than to press a particular course of action. For instance, in the case of school uniforms (see page 10 below) the Council arranged meetings of representatives of all the interested parties.

The Council may sometimes use the occasion of a Private Member's Bill in Parliament to give a particular problem a public airing. It will do this by

publishing facts and opinions relevant to the problem as it did in the case of travel agents when Mr. Edward Milne's Travel Agencies (Registration) Bill came before the House of Commons.

Information and Publicity

The Council's direct representations aimed at securing the solution of a particular consumer problem may often be effectively supplemented by the use of public media. Manufacturers who make shoddy or dangerous goods, retailers who give bad service, advertisers who set out to mislead or salesmen who seek to trick the unwitting buyer may be the targets of the Council's publicity.

The Council puts out frequent press releases containing brief statements of its policy on issues such as resale price maintenance, stamp trading or shop opening hours. These are supplemented when necessary by notes for editors.

From time to time, the Council issues "Consumer Context", a publication intended for editors, journalists, and people interested in consumer matters, which deals in much greater detail with current topics under consideration by the Council, but on which it may not yet have made a formal statement of policy. "Consumer Context" has been successful in stimulating public debate on such questions as the value of manufacturers' guarantees and the pros and cons of licensing door-step salesmen. A list of press releases, titles of issues of "Consumer Context" and other publications is in Appendix C. These publications will be supplemented in due course by information and guidance for the consuming public through all types of media. The Council has appreciated the time and space given to its statements and views by the broadcasting services and by much of the Press.

Education

The Council regards informing and educating the consumer as one of its primary functions. During this year the Council has formulated its policy and agreed that consumer education falls into two parts:

Consumer enlightenment which covers the provision of general information, through leaflets, publications, films, exhibitions, radio, television, etc., and more formal consumer education designed for people who wish to take an active part in educating themselves about their rights and responsibilities as consumers. For this more formal approach the Council is concentrating on making contact with school teachers and lecturers to discover how they can best be helped with material that will enable them to infuse a consumer emphasis into their subjects where this is educationally appropriate. The Council is also in touch with lecturers and course organisers in colleges of further education and non-vocational adult education classes.

The first months of the formal consumer education programme have been concentrated on talks to teachers' conferences and to students and lecturers in teacher training colleges in Scotland and England and the preparation of a factual handbook of sources of information on consumer matters for teachers, to be published this summer. Arrangements have also been made for a pilot consumer conference for pupils in their last term at school. Discussions have taken place about arranging for panels of educationists to give advice on educational material that will cover the consumer emphasis in subjects such as home economics, English,

commerce, social studies, etc. A termly bulletin, "Consumer Education", is being planned in the new academic year starting in September; this will report on ideas and activities which teachers and lecturers have found useful in relating consumer emphasis to their subjects.

The First Year

The inevitable delay between the formal appointment of the Council and the organisation of its staff meant that the effective period of the Council's first year of existence did not really start until the autumn of 1963. At its September meeting the Council was, however, confronted with several issues of public concern in the case of two of which it was possible to decide on immediate action. At later meetings action on a number of other matters was initiated; these are described in chronological order after the section on school uniforms.

Homogenised Milk

Complaints from householders had been noted that dairies' roundmen were pressing them to take homogenised milk and implying that ordinary milk was no longer available. This campaign stemmed from the dairy companies' desire to compensate by sale of the more remunerative homogenised milk for the abolition of the premium for T.T. milk.

The Council published a statement that there was no reason to buy homogenised milk on health grounds since all milk now came from attested herds, and also obtained a public assurance from the National Dairy Council that dairies could supply ordinary milk in all except some very remote parts of the country.

School Uniforms

Poor quality, for the prices asked, was the substance of complaints which reached the Council and prompted it to arrange consultations between the interested parties. Some forty organisations representing manufacturers, wholesalers, retailers, teachers, parents and consumers' organisations were brought together at a meeting held in December, 1963 at the Council's offices.

The meeting agreed that:

- (a) a comprehensive range of general purpose blazer cloth standards at various prices was needed. The B.S.I. agreed to devise these standards;
- (b) consumer bodies would not sacrifice quality for cheapness;
- (c) criteria for making-up garments should be formulated by consumer bodies and accepted by manufacturers;
- (d) the Consumer Council should create machinery for consumers to pass on their requirements to the B.S.I. and suppliers;
- (e) the sizes of school uniforms on which purchase tax is not charged should be extended to take account of the raising of the school leaving age and the fact that children were getting larger.
- (f) a further meeting should be held to discuss progress.

Before this further meeting was held, the consumer bodies met to pool their ideas and concert action. They agreed on machinery for handling

complaints. Complaints and comments, it was decided, should be dealt with at local level. Parent-teacher bodies should, where possible, be encouraged to gather material about complaints and then arrange talks locally between parents, retailers and teachers. To stimulate interest in the scheme, the Consumer Council, it was suggested, might sponsor a pilot scheme in some selected areas. Any complaints that could not be solved locally would be passed on to the Council, which would sponsor a general meeting once a year (probably in early summer) on the lines of the December, 1963 meeting.

The consumer bodies also agreed on measures to keep schools and parents up to date on new materials and production methods. It was suggested that they might hold meetings with the manufacturing interests, who would thus have an opportunity to supply, and discuss, information about the materials they produce.

These points were substantially agreed at the second meeting, held in March, 1964. The focal point for general comment or complaints should be the local Parent-Teacher Associations who would first discuss them with the trader concerned; then, if this approach were not successful, with the school, and ultimately, if necessary, with the C.A.B. Problems that proved insoluble at local level or which had general implications would be raised at the annual meeting arranged by the Consumer Council.

Points to be included in codes of practice for the making up of school blazers and reincoats would be decided by the consumer bodies and conveyed to the B.S.I., who would then seek to establish the codes.

Although manufacturers were not all convinced that such codes were necessary they nevertheless agreed generally to co-operate in devising them.

Hire Purchase

The Council welcomed generally the Government's Hire Purchase (No. 2) Bill. It strongly supported the provision of a 72-hour cooling-off period for door-step transactions and the clause requiring that the true annual rate of interest must be given where interest rates are quoted in an advertisement. The Council thought, however, that the Bill needed strengthening in several respects and recommended:

- (a) that instead of the hirer being allowed to contract out of the agreement during the 72-hours pause, he would have to contract in, i.e. to make the positive gesture of confirming the agreement rather than the negative one of not cancelling it.
- (b) that apart from a copy of the actual agreement, hirers should be given a carbon copy of the paper signed by them when the transaction was originally made with the salesman. This document, recording the terms, could then be compared with the copy of the agreement when it arrived;
- (c) that in addition to the provision that the agreement would become void if the requirements of the Bill were not complied with by the trader, such failure should constitute a criminal offence.

The Council also supported amendments to replace the existing arbitrary formula, when goods are repossessed by the owner, by a true estimate of damage.

An amendment embodying the Council's suggestion that a carbon copy of the paper signed by the hirer be given to him at the time of the first transaction was put forward in the House of Lords by Lord Peddie, supported by Lady Elliot, and was successful. The Council's views on "contracting in" and criminal sanctions did not prevail.

Flammable Nightdresses

1962 saw a sharp upturn in the number of deaths caused by burns from clothing, and in particular deaths of young children whose nightdresses caught fire. Between 1959 and 1961, the number of deaths had declined and it had been assumed that publicity had made a substantial contribution to the downward trend. The Council discussed the alarming reversal of this trend at its November, 1963, meeting, and decided that something more than publicity was needed to avert it. The Chairman therefore wrote to a number of leading department stores groups before Christmas and asked them to promote the sale of flame-resistant materials for children's nightdresses and not to order more stocks of flammable nightdresses or material for making up into garments. The response to the letter was not as good as had been hoped.

In the New Year a further letter was sent to a much greater number of stores in London and the provinces.

In the period between the letters much publicity was given in the Press to the Council's campaign, and the *Daily Mail* began its own "Make it Flameproof" campaign calling on the Government to ban all flammable children's nightdresses. On January 16th, the Home Secretary announced that he was looking into the possibilities of taking action by means of regulation under the Consumer Protection Act, 1961, and on February 3rd that he would bring in regulations to stop the sale of flammable nightdresses for children. On February 7th, the Council issued a "Consumer Context" dealing with measures of control that would be practicable and effective. These could include:

- (a) a ban on the sale of flammable nightdresses in children's sizes;
- (b) a ban on the use of obvious nursery designs on fabric sold by the yard that is not flame-resistant;
- (c) compulsory marking of nightwear, e.g. nightdresses, housecoats, dressing gowns, in all sizes with a warning label if they were "flammable";
- (d) a ban on the sale of flammable party dresses for children.

The Home Office has discussed with the Council and other interested bodies the form of the regulations on children's nightdresses, which are expected to come into effect on October 1st, 1964. The Council's other suggestions for action were put to the Home Office for their consideration.

Resale Price Maintenance

After consideration at its meetings of published evidence and papers prepared by the staff (including notes on the position in other countries) the Council published a statement on December 19th, 1963, saying that it was "generally of the view that in the interests of the consumer resale price maintenance should be made illegal in this country". Such a measure, the Council said, should be accompanied by certain safeguards, to which

further study would be given. The statement went on to envisage an appeal tribunal from which manufacturers could seek permission to retain R.P.M. in the public interest, and some system for ensuring that retailers could compete for their supplies on equal terms, subject only to differences in the actual costs of supplying them.

On January 15th, the Government announced its intention to abolish R.P.M. by legislation in the current session of Parliament. When the Bill was published it contained provision for the manufacturers to apply to the Restrictive Practices Court for exemption from the ban. The Council publicly welcomed the Bill, but hoped that in its passage through Parliament the exemption gateways would not be made so wide as to allow R.P.M. to continue over a wide field. It also hoped that the procedure for dealing with exemptions would not delay the application of the ban.

Stamp Trading

As the stamp war intensified during the autumn of 1963, the Council came under fire for not committing itself on this vexed subject. Trading stamps had been frequently under discussion in successive meetings of the Council, but it did not feel moved to take up a position in the matter until the November meeting. The Council did not condemn stamp trading as such but it did come to the conclusion that, *in its present form* it was not in the interests of consumers, since it made it difficult for them to compare values and established artificial ties with particular retailers.

The main recommendations published by the Council to correct these shortcomings were that stamps should be marked with their cash value and should be redeemable for cash at any time at the customer's option.

In January, 1964, a Private Member's Bill was introduced into the House of Commons by Mr. John Osborn, aimed at controlling stamp trading. The Council at first supported the Bill, with reservations, but during its passage through the House amendments were made to it which took much of the force out of it. The Council especially deplored the amendments which left the level of the cash option to the discretion of the stamp companies and excluded any scheme to guarantee the financial reliability of the companies. Furthermore, the Bill in its amended form contained no provision for preventing the confusion of the public by references in promotional material to the value of stamps in terms of goods purchased rather than as cash or at the gift redemption centre.

As the year closed the Council's own Study of Stamp Trading, prepared for it by Mr. Conrad Jameson, was well advanced and it was hoped to publish it before Mr. John Osborn's Bill was debated in the House of Lords.*

Guarantees

The Council made a detailed study of manufacturers' guarantees. It found that a large number of these documents were of very limited value and indeed sought to exclude the customer from his rights in law.

In "Consumer Context" No. 2, issued on January 21st, 1964, the Council

*Stamp Trading, by Conrad Jameson, was published by R.M.S.O. on June 8th.

published a long list of exclusion clauses. Among the more serious are those where the manufacturer excludes not only his own, but by association of the retailer's name on the guarantee or order form, also the retailer's liability under common law and the Sale of Goods Act, 1893; where the customer is made liable for labour and transport charges in repairing defects; and where disputes are removed from the jurisdiction of the courts.

The Council ended its statement with what the Press called a "square deal" for shoppers. "Guarantees", the Council said, "should contain positive assurances that the manufacturer:

- (a) accepts responsibility for the goods;
- (b) promises to repair or replace defective items free of charge or cost;
- (c) will pay compensation for damage or loss caused by such defects;
- (d) will not evade responsibilities imposed under common or statute law;
- (e) provides for reference to an independent opinion in cases of dispute."

The statement won widespread and favourable comment from the Press. The Advertising Association's Code of Advertising Practice is likely to be amended to exclude advertisements mentioning guarantees that do not substantially conform with the Council's prototype, which is printed on page 15.

Travel Agents

Complaints about holidays spoilt by the inefficiency or dishonesty of a minority of travel agents and tour organisers were considered by the Council. Causes of complaint ranged over four arrangements altered at the last minute, luxury hotels turning out to be draughty annexes, non-existent amenities, poor hotel service resulting from close bargaining by agents, overbooking and bankruptcy of tour operators which can cause holiday-makers to be stranded. There is evidence that it is a general practice in the travel trade for the agent to exempt himself from liability for any loss or inconvenience to the traveller arising from these eventualities.

The Council concluded that under this system the consumer was insufficiently protected from the inefficient and less reputable agent and that the existing means of control through the codes of conduct of the Association of British Travel Agents and the Travel Trades Association were inadequate. The Council, therefore, in "Consumer Context" No. 4, welcomed the opportunity given by the publication of Mr. Edward Milne's Private Member's Bill, which called for registration of travel agents, for a full discussion of schemes of control. The Council held that any travel agent should satisfy the following conditions:

1. Possess adequate operating capital.
2. Provide some form of monetary guarantee to meet contingent liabilities.
3. Employ adequately trained staff.
4. Accept liability to the holiday-maker for errors.
5. Subscribe to a code of conduct similar to that of the A.B.T.A. code.
6. Accept responsibility for the faults of those directly responsible for providing facilities.

GUARANTEE

The Perfect Company Ltd., guarantees its domestic products for a period of one year from the date of purchase or hire purchase against defects.

Accordingly, the company undertakes to exchange or repair, **FREE of ANY CHARGE**, including charges for labour and carriage, any part found to be defective within the specified period, provided that the product has been used in accordance with the instructions, and not subjected to misuse, neglect or accident, nor modified or repaired by any person other than an authorised employee or dealer.

This guarantee is in addition to the retailer's normal responsibilities.

If assistance is required, the customer should contact either the dealer from whom the product was bought, the company, or any authorised dealer.

A form of guarantee that would, if adopted, give the shopper a square deal.

Crafts Centre

When the Council heard in January, 1964, that the Crafts Centre of Great Britain was in danger of closing down for lack of funds, it added its voice to that of the Council of Industrial Design in urging the Government to reconsider their decision not to renew their financial support.

Shop Hours

The Council was among the bodies whose opinions on the need for a change in the law on shop closing hours were canvassed by the Home Office in February, 1964. Before the Council published its views it took account of a survey of opinion conducted by the Research Institute for Consumer Affairs on behalf of Consumers' Association in association with the Council. This showed that four out of ten people in the 5,000 sample of Consumers' Association members would like shops to stay open till 10 p.m. one or more nights a week. (Of employed women and single men, over 60 per cent. said they would find this useful for day-to-day shopping.)

The Council did not think that this was sufficient evidence to justify asking for a change in the present statutory hours, which permit opening until 9 p.m. on one day a week and until 8 p.m. on other days. The problem seems rather to lie with the shops themselves who are not making full use of their legal opening hours. The Council recommended, however, the repeal of part of Section 1 of the Shops Act, 1950, so as to enable any shopkeeper to open for six full days a week, if he wished. As a less favoured alternative, the Council supported a change in the Act enabling shops to choose their own early closing day and late opening night. The Council made it clear that these proposals must not be allowed to affect adversely the conditions of employment of shop assistants.

Banking Hours

The Committee of London Clearing Banks said in February, 1964, that its member banks were considering the practicability of closing on Saturday mornings. The Council, in a statement to the Press on February 28th, said that Saturday closing would not be in the public interest. Bank facilities, at least for cashing cheques, should continue to be open on Saturdays. In taking this position, the Council sympathised with the desire of bank employees for a 5-day week. Flexible management of staff, it thought, could, in such large organisations, enable a 5-day week to be combined with Saturday opening.

Door-Step Salesmen

Complaints from many sources about the activities of disreputable door-step salesmen gave priority to a search for ways of controlling the activities of these men. The Council found that a number of different techniques were used.

1. Mobile firms, taking cash from the public, have disappeared from the area when complaints have arisen. Examples are firms selling sub-standard carpets.

2. Switch selling: where a poor quality or virtually non-existent product is advertised at a low price as bait to effect a sale of a much higher priced product.
3. Misrepresentation: examples are the educational book salesmen who say they are engaged on a social research survey; salesmen posing as Commonwealth students seeking points from sales of magazine subscriptions to obtain scholarships to universities; salesmen of central heating systems said to qualify for local authority grants, but which do not and are both more expensive than those bought at established dealers and inadequate in cold weather.
4. Advertisements for home-workers aimed at potential buyers of knitting machines and offering the inducement of high earnings through sale of work. Once a bond or hire purchase agreement for the machine is secured the company frequently refuses, on various excuses, to accept the articles produced.

Several possible remedies were considered by the Council:

- (a) Legal action by the individual. (This has not been very effective so far).
- (b) Closer control over advertising designed to lead up to door-step sales of an unscrupulous kind. (Self discipline by the media owners has not prevented abuses).
- (c) Publicity. A warning film for showing on T.V. in areas where a crop of dishonest door-step salesmen have appeared is being prepared.
- (d) The cooling-off period, now provided for in the Hire Purchase Bill, giving time for precipitate agreements on the door-step to be revoked. (This does not cover cash sales nor credit sales under £30.)

Because these measures do not offer a wholly satisfactory solution, the Council has considered the possibility of a licensing scheme for door-step salesmen, rejected as impracticable by the Molony Committee. The Council has recognised that there would be practical difficulties in applying a licensing scheme, among which are the questions of who should issue the licences (the Council would say, local authorities); who should be licensed, the firm, the individual salesman, or both; and what should be the criteria for issuing or withdrawing a licence. The Council has had a number of conversations on the practical problems with various interested bodies. It has also collected information about the licensing of door-step salesmen in some overseas countries. The debate continues.

Looking Ahead

It is not easy to forecast what subjects will command the Council's attention or from what source they will come to us. Some of the threads of our intelligence network have been described but an urgent task may come to us just as easily through the contacts of individual Council members, from a Member of Parliament, a government department, a welfare organisation or from a press article or broadcast programme. The variety of the matters already dealt with by the Council and discussed in this report is sufficient proof that even in an affluent economy there is widespread consumer discontent.

We are sometimes criticised for spreading our net so wide and not concentrating our limited resources on study in depth of a few subjects. From the point of view of the organisation of our work and satisfaction with its quality we should like to do this. But circumstances do not allow us to do so. The creation of the Council and its potential service to consumers have been welcomed in so many quarters, bringing calls upon us for help and advice and information which we cannot turn down or defer for later consideration.

We are already engaged on several major areas of inadequate or inefficient provision for consumer needs. Informative labelling is being given intensive study and the possibilities of a national labelling scheme will form an important part of the Council's work during 1964-65. Adequate labelling of drugs and medicines sold over the counter will be given particular attention.

More informative and accurate labelling would be helped by the revision of the Merchandise Marks legislation, and the Council is preparing its views on this for the Board of Trade. This is related, too, to misleading advertising. It is a subject which during 1963/64 came up in connection with a number of subjects, and it will take a more prominent place in the Council's work during 1964/65.

The momentum of commercial competition is towards rationalisation of production and distribution. This, in the case of many goods, brought benefits to shoppers through lower prices and wider availability. But the other side of the coin may be a restriction of choice and in some cases a deterioration in quality. It will be argued that these can only be remedied at the cost of an increase in prices. Consumer satisfaction, however, is not simply a question of price but of quality, design, fitness for purpose, convenience and after-sales service. In the long term it is only the capacity to judge these factors and insist on them which will make a satisfied customer, and this is why the Council puts so much emphasis on education.

The work on which the Consumer Council is engaged is essentially a co-operative endeavour; not least, we hope, with consumers themselves. We cannot, and should not wish to, claim victories and successes due to our action alone. We do think, however, that our experience during the first year of life has shown that we can provide a focal point, and, in some cases, a leadership which encourages all those concerned with consumer protection. The Council is convinced that the call of the Molony Committee for a national consumer organisation has been justified by the event, and in this conviction the Council will continue its work with the aim of fulfilling the hopes which have been placed upon it.

Appendix A

THE CONSUMER COUNCIL

Receipts and Payments Account for the year ended March 31st, 1964

Receipts	£	s.	d.	Payments	£	s.	d.
Grant-in-aid (from Board of Trade)	80,000	0	0	Salaries	31,467	3	7
Sale of Publications	-	-	-	Rent and office expenses	16,218	11	3
Other receipts	49	18	8	Entertainment	289	14	4
				Capital expenditure	5,615	16	9
				Publicity and research	2,441	10	0
				Miscellaneous	49	7	5
				Balance at 31.3.64	3,988	15	4
	£80,049	18	8		£80,049	18	8

(Signed) Elizabeth Ackroyd
Director.

(As submitted to the Board of Trade
for audit purposes.)

Appendix B

The Council Members

CHAIRMAN: BARONESS ELLIOT OF HARWOOD, D.B.E. Created a life peer in 1955. Member of the Ministry of Labour's Women's Consultative Committee and of the Home Office Advisory Committee on the Treatment of Offenders. Chairman of the Advisory Committee on Child Care for Scotland. Chairman of the Children's Committee, Roxburghshire County Council. A Vice-President of Consumers' Association.

DIRECTOR: MISS ELIZABETH ACKROYD. Under Secretary seconded from the Civil Service. Member of the Independent Television Authority's Advertising Advisory Committee.

MRS. C. CALVERT, J.P. for County Down. Member of the Downpatrick Hospital Management Committee and of the Management Committee of Down High School. Vice-Chairman Northern Ireland Leukemia Research Fund Committee.

MR. LEONARD COHEN. Chairman and Joint Managing Director of Henry's Stores Ltd., Manchester. Member of the Council of the Retail Distributors' Association. Member of Manchester Education Committee.

MR. T. W. CYNOG-JONES, O.B.E. Head of Research Department of Union of Shop, Distributive and Allied Workers. Chairman of the Workers Educational Trade Union Committee. Member of the Central Executive of the Workers Educational Association. Council Member of the Industrial Welfare Society. Governor of the National College of Food Technology.

MR. AUBREY L. DIAMOND. Reader in Law, London School of Economics and a solicitor. Chairman of the National Federation of Consumer Groups. Member of the Council of Consumers' Association and a member of the Committee of the Advertising Inquiry Council Ltd. Joint author of "The Consumer and the Law" (Co-operative Union Ltd., 1960), and "The Consumer, Society and the Law" (Penguin Books, 1964).

MR. A. F. EARLE. Deputy Chairman and Managing Director of Hoover Ltd. Member of the Council of the British Electrical and Allied Manufacturers' Association Inc. Ph.D. (Lond.) in Economics.

MRS. WINIFRED JENKINS. Chairman of the Women's Advisory Committee of the British Standards Institution. Member of various B.S.I. Technical Committees dealing with standards for consumer goods. Represents the

W.A.C. on the British Electrical Approvals Board. President of the East Barnet Valley Townswomen's Guild.

MR. GRIGOR McCLELLAND. Senior Research Fellow in Management Studies, Balliol College, Oxford. Managing Director of Laws Stores Ltd., Gateshead-on-Tyne. Member of the Council of the Supermarket Association. Author of "Studies in Retailing" (Blackwell, 1963).

MRS. FELICIA PALMER. From 1952-1960 on staff of Women's Page of the Daily Telegraph, and wrote many feature articles on consumer topics. Still does occasional free-lance journalism.

LORD PEDDIE, M.B.E. Created a Life Peer in 1961. Director, C.W.S. Ltd., Co-op. Insurance Society Ltd., and Permanent Building Society Ltd. Chairman of Co-operative Party since 1968. Vice-Chairman of Independent Commission on Advertising under Lord Roth.

MRS. PHILIPPA PERKS, J.P. W.V.S. Centre Organiser for Clevedon, Somerset. Member of Bristol Y.W.C.A. Executive Committee. Magistrate for the County of Somerset.

Appendix C

Publications Issued in 1963-64 by The Consumer Council

PRESS RELEASES

June 27th, 1963	<i>Announcement of first Council meeting.</i>
September 26th, 1963	<i>Homogenized Milk.</i>
November 26th, 1963	<i>School Uniform Talks Stimulate Interest (forecast).</i>
November 26th, 1963	<i>Trading Stamps.</i>
December 4th, 1963	<i>School Uniform (outcome of meeting).</i>
December 10th, 1963	<i>Stamp Trading (Lady Elliot's letter to Mr. Ralph Harris).</i>
December 12th, 1963	<i>Flammable Clothing (Lady Elliot's first letter to the stores).</i>
December 19th, 1963	<i>Resale Price Maintenance (with notes for editors).</i>
January 28th, 1964	<i>Flammable Clothing (Lady Elliot's second letter).</i>
January 30th, 1964	<i>Stamp Trading (Council's support of Mr. John Osborn's Bill).</i>
February 27th, 1964	<i>Resale Price Maintenance (welcome of R.P.M. Bill).</i>
February 28th, 1964	<i>Shop Opening Hours.</i>
March 4th, 1964	<i>Banking Hours.</i>

"CONSUMER CONTEXT"

December 23rd, 1963	<i>Hire Purchase.</i>
January 21st, 1964	<i>Guarantees.</i>
February 7th, 1964	<i>Flammable Clothing.</i>
February 21st, 1964	<i>Travel Agents.</i>
March 23rd, 1964	<i>Door-step Selling.</i>

OTHER PUBLICATIONS

June 8th, 1963	<i>Council's Terms of Reference.</i>
February, 1964	<i>Folder: "The Consumer Council".</i>



(Photograph by courtesy of the Daily Herald)

The Chairman goes shopping



1



2



3

Standard Tests for the Durability of Flame-Proof Treatments Commissioned by The Consumer Council and Consumers' Association.

1. A standard flammability test on un-treated winoyette. The material 12 seconds after ignition.

2. About 30 seconds later.

3. The same flammability test on winoyette treated to be flame resistant. The material chars but fails to burn.